



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-19

333 West Ocean Boulevard • Long Beach, CA 90802

March 19, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute all documents necessary to amend the Escrow Deposit and Trust Agreement relating to the Long Beach Bond Finance Authority (LBBFA) 2012 Lease Revenue Refunding Bonds Series A and Series B, creating additional accounts to administer, without interruption, Lease No. 17448 between the City of Long Beach and American Golf Corporation. (Districts 3, 4 and 5)

DISCUSSION

On November 13, 2012, the City Council approved the issuance of the LBBFA 2012 Lease Revenue Refunding Bonds Series A and B for the refunding of various outstanding City bonds, including Skylinks Bonds Series 2003, in order to benefit from historically low fixed interest rates. Under the 2012 Lease Revenue Refunding Bonds, the LBBFA and Bank of New York (escrow bank) entered into a Escrow Deposit and Trust Agreement (2003 Escrow Agreement), dated December 13, 2012. The 2003 Escrow Agreement governs those moneys held to retire the 2003 Skylinks Bond Series 2003 on May1, 2013.

Three additional trust accounts must be added to the LBBFA 2012 Lease Revenue Refunding Bonds Series A and B Trust Agreement to appropriately account for and administer the Lease cash flows. An amendment to the 2012 Lease Revenue Refunding Bonds Series A and Series B will add the Revenue Fund, the Golf Course Fund and the Capital Improvement Fund.

This matter was reviewed by Deputy City Attorney Gary J. Anderson and Budget Management Officer Victoria Bell on March 6, 2013.

TIMING CONSIDERATIONS

City Council action is requested on March 19, 2013 to create the three administration accounts under the 2012 Lease Revenue Refunding Bond Series A and B trust agreement prior to the May 1, 2013 bond call date.

FISCAL IMPACT

The recommended action continues the administration for the Skylinks debt without change or interruption. There is no fiscal impact or local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL

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SUGGESTED ACTION:

Approve Recommendation.

Respectfully Submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DN
K:\Exec\Council Letters\Treasury\03-19-13 ccl - Amend 2012 LBBFA Lease Revenue Refunding-American Golf Corp.doc

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH
APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A
FIRST AMENDMENT TO ESCROW DEPOSIT AND TRUST AGREEMENT
RELATING TO THE LONG BEACH BOND FINANCE AUTHORITY'S
LEASE REVENUE REFUNDING BONDS, 2012 SERIES A, AND TAXABLE
LEASE REVENUE REFUNDING BONDS, 2012 SERIES B, AND
APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, the Long Beach Bond Finance Authority (the "Authority") has
heretofore issued its \$54,630,000 Long Beach Bond Finance Authority Lease Revenue
Refunding Bonds, 2012 Series A (the "2012 Series A Bonds"), and its \$15,120,000 Long
Beach Bond Finance Authority Taxable Lease Revenue Refunding Bonds, 2012 Series B
(the "2012 Series B Bonds"), to refund various prior issues of bonds of the Authority and
the City of Long Beach (the "City"), including the Authority's Long Beach Bond Finance
Authority Lease Revenue Bonds, Series 2003 (Skylinks Golf Course Project) (the "2003
Bonds");

WHEREAS, the 2012 Series A Bonds and the 2012 Series B Bonds were
issued under that certain Indenture of Trust, dated as of December 1, 2012 (the "2012
Indenture"), by and between the Authority and The Bank of New York Mellon Trust
Company, N.A., as trustee (the "2012 Trustee");

WHEREAS, the indenture relating to the 2003 Bonds included provisions
for the receipt and application by the trustee thereunder of moneys (the "Greens Fees
Revenues") paid by the American Golf Corporation derived from the operation of certain
golf courses in the City;

WHEREAS, it has been deemed appropriate that the receipt and
application of the Greens Fees Revenues be incorporated into the 2012 Indenture;

1 WHEREAS, Section 9.01(b) of the 2012 Indenture provides that the 2012
2 Indenture may be amended, without the consent of the Owners (as such term is defined
3 in the 2012 Indenture”), if the 2012 Trustee is furnished an opinion of counsel that the
4 provisions of the supplemental indenture will not materially adversely affect the interests
5 of the Owners of the 2012 Series A Bonds or the 2012 Series B Bonds to, among other
6 things, add to the covenants and agreements of the Authority contained therein, add
7 covenants and agreements to be observed, pledge or assign additional security for the
8 2012 Series A Bonds or the 2012 Series B Bonds (or any portion thereof), or surrender
9 any right or power therein reserved to or conferred upon the Authority;

10 WHEREAS, the Authority, the City and The Bank of New York Mellon Trust
11 Company, N.A., as escrow bank (the “Escrow Bank”), have entered into that certain
12 Escrow Deposit and Trust Agreement, dated December 13, 2012 (the “2003 Escrow
13 Agreement”), providing for the refunding and redemption of the 2003 Bonds;

14 WHEREAS, it has been deemed appropriate that certain moneys held by
15 the Escrow Bank, as trustee for the 2003 Bonds, be transferred to the 2012 Trustee, in
16 conjunction with the amendments to the 2012 Indenture;

17 WHEREAS, Section 10 of the 2003 Escrow Agreement provides that the
18 2003 Escrow Agreement may be modified or amended at any time by a supplemental
19 agreement, without the consent of the owners of the 2003 Bonds, but only (1) to add to
20 the covenants and agreements of any party, other covenants to be observed, or to
21 surrender any right or power herein or therein reserved to the City, (2) to cure, correct or
22 supplement any ambiguous or defective provision contained herein, (3) in regard to
23 questions arising hereunder or thereunder, as the parties hereto or thereto may deem
24 necessary or desirable and which, in the opinion of counsel, shall not materially adversely
25 affect the interests of the owners of the 2003 Bonds or the 2012 Series A Bonds or the
26 2012 Series B Bonds; and

27 WHEREAS, a proposed form of a first amendment to the 2003 Escrow
28 Agreement has been prepared and has been presented to the Authority;

1 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
2 follows:

3 Section 1. Amendment of the 2003 Escrow Agreement. The Council
4 hereby approves a first amendment to the 2003 Escrow Agreement in the form on file
5 with the City Attorney. The City Manager, the Director of Financial Management and the
6 City Treasurer (collectively, the "Designated Officers"), each acting alone, are hereby
7 authorized and directed to execute, for and in the name of the City, and the City Clerk is
8 hereby authorized and directed to attest, the first amendment to the 2003 Escrow
9 Agreement in such form, together with any changes therein or additions thereto deemed
10 advisable by the Designated Officer executing the first amendment to the 2003 Escrow
11 Agreement upon consultation with the City Attorney and Bond Counsel, and the
12 execution and delivery of the first amendment to the 2003 Escrow Agreement by a
13 Designated Officer shall be conclusive evidence of the approval of any such changes or
14 additions. The Council hereby authorizes the delivery and performance by the City of the
15 first amendment to the 2003 Escrow Agreement .

16 Section 2. Official Actions. The City Manager, the Director of Financial
17 Management, the City Treasurer, the City Clerk and all other officers of the City are each
18 authorized and directed in the name and on behalf of the City to make any and all
19 assignments, and to execute any and all certificates, requisitions, agreements, notices,
20 consents, instruments of conveyance, warrants and other documents which they or any
21 of them deem necessary or appropriate in connection with the documents approved
22 pursuant to this Resolution. Whenever in this Resolution any officer of the City is
23 authorized to execute or countersign any document or take any action, such execution,
24 countersigning or action may be taken on behalf of such officer by any person designated
25 by such officer to act on his or her behalf in the case such officer shall be absent or
26 unavailable.

27 Section 3. Effective Date. This Resolution shall take effect from and after
28 its adoption.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664